To execute a successful post-merger integration of customer relationship management (CRM) system Salesforce.com (SFDC), organizations must understand and address specific critical considerations. These include IT asset consolidation, unifying and streamlining the post-merger architecture and organizational structure, change management execution, data migration processes, and regulation and compliance requirements.

**Executive Summary**

By their very nature, mergers and acquisitions are complex exercises that require deep thinking and precise execution, encompassing people, process and technology aspects for success. Post-merger integration of customer relationship management (CRM) systems can become a challenging and time-consuming task for the simple reason that they do not always fit a structured and programmatic approach that can be effectively articulated in a point-by-point integration exercise.

This point-of-view paper addresses corporate pain points by detailing the critical considerations required for a successful post-merger integration of CRM systems. It assumes the CRM system of the acquiring company is Salesforce.com (SFDC), and that all CRM functionalities will be consolidated in SFDC.
Facets of IT assets in mergers/acquisitions

The success or failure of many mergers and acquisitions often pivots around IT asset consolidation. These exercises can be broadly classified in three categories: pre-merger, merger and post-merger (see Figure 1).

Classifying mergers & acquisitions

Pre-merger
- IT due diligence team
- Identification of IT asset and inventory - robust asset management
- Cross-functional software asset management (SAM) team formation

Merger
- Corporate strategy/M&A team, Legal
- Acquisition of Salesforce licenses/instances
- Integration Management Office (IMO) setup
- Identify and achieve short-term, tactical operational imperatives
- Devise short- and long-term plan for Salesforce-related asset management

Post-merger
- Network and IT Architects, Legal, Procurement and Sourcing
- Rationalization of Salesforce and related applications
- Decommissioning of redundant assets
- Enact new agreements with Salesforce
Salesforce CRM architecture

Every organization has its own CRM landscape and architecture, adapted to support its business operations. It is critical that the existing CRM landscape and architecture are unified post-merger/acquisition (M&A) to achieve the maximum synergy possible. Organizations must overcome key technology challenges after an acquisition to unify and streamline business processes across the entire enterprise. Post-merger IT integration aims to align business processes, systems and procedures across the combined organizations. The step-wise approach for integration of CRM architecture along M&A timelines is detailed in Figure 2.

Key steps in creating an integrated Salesforce CRM architecture

<table>
<thead>
<tr>
<th>Key considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Platform identification (Lightning)</td>
</tr>
<tr>
<td>- Salesforce orgs</td>
</tr>
<tr>
<td>- Users/roles and hierarchy</td>
</tr>
<tr>
<td>- Apps implemented (sales cloud, service cloud, marketing cloud, partner app, community)</td>
</tr>
<tr>
<td>- Mobile apps</td>
</tr>
<tr>
<td>- Third-party apps for Salesforce</td>
</tr>
<tr>
<td>- Integration touchpoints</td>
</tr>
<tr>
<td>- Real time – inbound and outbound</td>
</tr>
<tr>
<td>- Batch – inbound and outbound</td>
</tr>
<tr>
<td>- Workflows</td>
</tr>
<tr>
<td>- New SLAs and business rules</td>
</tr>
<tr>
<td>- Reports and dashboards</td>
</tr>
<tr>
<td>- Middleware</td>
</tr>
<tr>
<td>- Third-party ETL tool usage</td>
</tr>
<tr>
<td>- License impacts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pre-merger - Analysis &amp; due diligence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business case for change</td>
</tr>
<tr>
<td>As-is v/s to-be state</td>
</tr>
<tr>
<td>Impact analysis of CRM initiatives</td>
</tr>
<tr>
<td>IT portfolio analysis</td>
</tr>
<tr>
<td>IT assets analysis</td>
</tr>
<tr>
<td>IT and CRM leadership assessment</td>
</tr>
<tr>
<td>Analysis workflow and integration impact</td>
</tr>
<tr>
<td>Assess infill projects</td>
</tr>
<tr>
<td>Define integration plan</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Merger – Operational synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development and acquisition of SFDC</td>
</tr>
<tr>
<td>Alignment of key CRM processes</td>
</tr>
<tr>
<td>Alignment to regulatory and compliance requirements</td>
</tr>
<tr>
<td>Integration of major business functions and communications</td>
</tr>
<tr>
<td>Uninterrupted customer experience</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post-merger – Integration execution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration project plan</td>
</tr>
<tr>
<td>Roles and responsibilities (internal and external)</td>
</tr>
<tr>
<td>SFDC architecture and design</td>
</tr>
<tr>
<td>Implementation</td>
</tr>
<tr>
<td>Integration</td>
</tr>
<tr>
<td>Ongoing support and enhancements</td>
</tr>
</tbody>
</table>

Salesforce organizational structure, post-merger/acquisition

The decision to adopt single or multiple Salesforce organizations typically hinges on reducing complexity (both from administration and usability points of view) and the need for having a single source of truth for the entire organization. Both single Salesforce organizational setups and multiple Salesforce organizational structures have their own sets of advantages and disadvantages. The decision to adopt single or multiple Salesforce organizations post-merger/acquisition should be made primarily on the basis of the business operating strategy.

In a well-regarded book that examines enterprise architecture as strategy, the authors propose the four operating models, based on business process integration and business process standardization. Figure 3 (next page) highlights the suggested strategy for Salesforce organizations along the lines of the four operating models post-merger/acquisition.
Other critical considerations in this regard include the ability to handle multiple lines of business in a single Salesforce organization; executing effective change management in a single organizational setup; fulfillment of regulatory/compliance/security requirements; and technical limitations (e.g., code customization limits of a single organization).

Salesforce license rationalization
Salesforce license rationalization post-merger/acquisition should be viewed as an operational cost-saving initiative by optimizing the number of Salesforce licenses that are required. A thorough understanding of the data structure, required profiles, roles/role hierarchy, permission sets and overall Salesforce architecture is required before embarking on the journey for optimizing the Salesforce licenses post-merger/acquisition.

To a large extent, business integration and the existing CRM system of the “target” organization (i.e., the organization acquired or merged) dictates the Salesforce license rationalization approach, as shown in Figure 4.

An approach for license rationalization

<table>
<thead>
<tr>
<th>Business integration approach</th>
<th>Salesforce license rationalization approach (Target company has Salesforce as CRM system)</th>
<th>Salesforce license rationalization approach (Target company has other CRM system)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Acquisition: The “target” company is retained as-is in the merged entity.</td>
<td>- Identify “common” job functions &amp; adopt approach detailed in #2</td>
<td>Assign CRM system users of the target company to the existing Salesforce licenses in the acquiring company</td>
</tr>
<tr>
<td>2 Merger: The “target” company’s operations are absorbed in the acquiring company’s operations.</td>
<td>- Identify and merge users in “overlapping” existing Salesforce licenses in existing licenses of acquiring company</td>
<td>Assign CRM system users of the target company to the existing Salesforce licenses in the acquiring company</td>
</tr>
<tr>
<td>3 Consolidation: Two companies come together to provide altogether new products/services by leveraging the achieved synergy.</td>
<td>Post finalization of job functions, devise profiles/roles/permission sets and allocate appropriate Salesforce licenses to users</td>
<td></td>
</tr>
</tbody>
</table>
**Data migration**

Data from the acquired company’s CRM system needs to be migrated to the Salesforce instance of the merged business entity. Doing so ensures that the acquired company’s business processes are carried over and executed successfully to achieve the synergy envisioned from the M&A. To manage the variety and complexity of the data migrated, it is critical to set up a high-level process to govern the necessary micro steps during the data migration.

Assuming the data migrated from the CRM system (Salesforce.com or others) to Salesforce.com is a one-time migration, we suggest an approach depicted at a high level in Figure 5.

**A governance process for data migration**

![Figure 5](image-url)

Other critical considerations for ensuring a fail-safe data migration include:

- Back-up CRM data prior to the migration.
- Execute data migration during non-business hours.
- Confirm accurate user mapping to ensure correct record ownership.
- Set up organization-wide defaults and profiles in line with visibility rules.
- Map page layouts to profiles according to visibility rules.
- Execute manual sanity testing post-migration and before the go-live.
- De-activate workflows/triggers during data migration to prevent flooding of mailboxes by mass e-mails.
Change management

Change management is one among the key drivers of a successful M&A. From the leadership through the on-ground workforce, various aspects of change management must be applied to both organizations.

In practice, change management must be executed at two broad levels – internal and external. Managing internal change involves communication to staff members of both organizations, formulation of staffing practices to be followed post M&A, planning the to-be organization structure, process decisions, Salesforce trainings, etc. Managing external change involves communications to external entities (customers/regulatory authorities/media, etc.), new product offerings, and marketing support.

Broadly speaking, the key to successful change management is highlighted in Figure 6.

<table>
<thead>
<tr>
<th>Identify the change</th>
<th>Design the change</th>
<th>Execute the change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess the changes required across people, processes and culture</td>
<td>Prioritize the strategic opportunities and goals</td>
<td>Launch the communication, mailers and portal updates</td>
</tr>
<tr>
<td>Carry out stakeholders’ assessment</td>
<td>Assess the current model and design the future operation model</td>
<td>Deploy future model and enable monitoring mechanisms</td>
</tr>
<tr>
<td>Identify changes that need to be communicated to relevant teams/employees</td>
<td>Design the channels and plan for communication to relevant teams/employees</td>
<td>Implement the organization details and processes</td>
</tr>
<tr>
<td>Initiate training and deployment to the impacted teams</td>
<td>Reach consensus on joint targets and baselines</td>
<td>Collaborate on agreed synergies</td>
</tr>
</tbody>
</table>

Figure 6
The suggested steps, key considerations and best practices for managing internal change management are depicted in Figure 7.

### Making change management work internally

**Key considerations**
- Involvement
- Communication
- Staffing practices
- Organizational structure
- Process decisions
- Cultural interventions

**Pre-merger – Strategy/ M&A team**
- Set up a change management committee
- Communicate with employees

**Merger – Strategy, M&A team, change management committee**
- Define goals, values, vision, strategy and policies for the new entity
- Communicate with employees
- Define the operating model

**Post-merger – Change committee**
- Analyze and understand cultural differences
- Involve employees
- Downsize/Redeploy employees
- Train employee to align to new CRM processes and Salesforce
- Track results

**Best practices**
- Set up a change management committee to take care of change management throughout the merger process
- Communicate with employees from day one
- Conduct workshops for employee trainings
- Partner with Salesforce to provide CRM training, including best practices
- Form core teams for each workstream to ensure deep expertise, access to Salesforce integration tools and necessary capacity

Figure 7

The suggested steps, key considerations and best practices for managing external change management are illustrated in Figure 8.

### Making change management work externally

**Key considerations**
- Customer/Member communications
- Media communications & public relations
- Community communications & community relations
- Other marketing support
- Product offerings

**Pre-merger – PR team**
- Communicate with customers, partners, vendors and other external stakeholders
- Share the merger details
- Provide seamless sales and service support

**Merger – Sales, service and marketing team, CRM IT team**
- Communicate with customers about the new entity
- Implement the new branding at all external communication touchpoints such as email, SMS, websites, customer portals, stationaries, etc.

**Post-merger – Sales, service and marketing team, CRM IT team**
- Analyze and understand various external touchpoints of CRM
- Rebrand Salesforce as per the new entity
- Implement the new defined CRM processes in Salesforce
- Provide access and training to internal and external users
- Communicate with customers about changes in systems and processes

**Best practices**
- Communicate with customers and partners throughout the merger process
- Identify the branding aspect before the merger and align to the new branding from day one of the merger
- Keep all the channels aligned to the new processes and branding
- Get regular feedback from partners and customers about their experiences

Figure 8
Regulation & compliance

To a large extent, regulation and compliance formalities are driven by the nature of business, as well as its organizational structure, operating strategy and region/location. It is natural to assume that both organizations in a merger/acquisition may not be governed by the same set of regulations and may not need to comply with the same set of laws because their operating strategy and location often vary. Broadly speaking, regulations and compliance include policies, procedures, contracts, legal obligations and guidelines, etc.

For a M&A to be successful, regulatory changes and compliance requirements must be competently managed to ensure that both business entities are aligned and run smoothly. Given the scale and complexity of most M&A transactions, and the need to commercialize acquired products/services quickly, the acquiring organization needs a well-defined framework to successfully harmonize the regulatory changes and compliance requirements, reducing lead time of the acquired product/services to hit the market.

Our suggested framework to manage regulatory changes and compliance requirements comprises five steps, as detailed in Figure 9.

Managing M&A regulation & compliance requirements

<table>
<thead>
<tr>
<th>Review</th>
<th>Assess</th>
<th>Confirm</th>
<th>Implement</th>
<th>Monitor</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Existing regulatory and compliance details</td>
<td>• Map areas of business, contracts, policies, and procedures impacted by merger or acquisition</td>
<td>• Measure impact of the change assessments</td>
<td>• Update policies, contracts and procedures</td>
<td>• Conduct audit reviews and update mitigations plans</td>
</tr>
<tr>
<td>• Probable future regulation changes</td>
<td>• Communication channels to announce the changes</td>
<td>• Prepare the checklists/plans</td>
<td>• Create new policies as required</td>
<td>• Maintain/update policies and controls</td>
</tr>
<tr>
<td>• Recent compliance breaches</td>
<td>• Categorize the risks</td>
<td>• Identify the resources and form small teams</td>
<td>• Communicate the changes</td>
<td>• Maintain organizational hierarchies</td>
</tr>
<tr>
<td>• Past non-compliance actions and their remedies</td>
<td>• Existing pain points</td>
<td>• Identify the risks and their mitigation solutions</td>
<td>• Kick off training and deployment</td>
<td>• Communicate continuously</td>
</tr>
</tbody>
</table>

Key considerations in Salesforce orgs

- • Existing business objects
- • Roles and profiles
- • Existing workflows, validation rules, and approvals
- • Assess the contract/terms mgmt., SLAs, case queues, and pricing rules
- • Set the campaigns for communications
- • Create account teams, price books, set up marketing plans
- • Design solution for mitigation plans
- • Create new contracts/terms, SLA changes
- • Deploy updated workflows, LOVs, validation rules
- • Role hierarchy
- • Roles & responsibilities

Figure 9
Sales, marketing & service integration

The proposed framework for successful integration of sales, marketing and service functions post M&A is highlighted in Figure 10.

A framework for sales, marketing & service integration

<table>
<thead>
<tr>
<th>Marketing management</th>
<th>Sales management</th>
<th>Service management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Go-to-market planning</td>
<td>Territories realignment</td>
<td>Install base migrations</td>
</tr>
<tr>
<td>Branding, advertising briefs</td>
<td>Lead assignment rules/ queues</td>
<td>Zero booking orders</td>
</tr>
<tr>
<td>Campaign management (Tradeshows, events, and conferences)</td>
<td>Accounts/contacts migration</td>
<td>Enable access in customer portals</td>
</tr>
<tr>
<td>Customer segmentation, targets list</td>
<td>Sales quota coverage across products and geos</td>
<td>Case migrations</td>
</tr>
<tr>
<td>Lead qualifications/cleaning</td>
<td>Bookings forecasting</td>
<td>Update cases queue/teams to factor new products</td>
</tr>
<tr>
<td>Campaign and lead migration</td>
<td>Pipeline reporting</td>
<td>Update/add knowledge articles/documents</td>
</tr>
<tr>
<td>Lead generation and distribution</td>
<td>Quote generations</td>
<td>Provide access to partner portals/communities</td>
</tr>
<tr>
<td>Create/update roles and responsibilities</td>
<td>Harmonize pricing and license updates</td>
<td>Integrate support functions/groups</td>
</tr>
<tr>
<td>Lead &amp; campaign objects mapping and LOVs mapping</td>
<td>Opportunity migrations and sync up</td>
<td>IVR queues for new products</td>
</tr>
<tr>
<td></td>
<td>Update account/opportunity team as per coverages</td>
<td>Create/update the daily/weekly reports and dashboards</td>
</tr>
</tbody>
</table>

Figure 10
Planning the post-merger integration

A good deal of planning goes into detailing the post-merger integration of a CRM system into a single/multiple Salesforce instance(s). We recommend using a top-down approach to listing all elements of a CRM environment, post-merger integration (as revealed in Figure 11).

The progress of the planning can be tracked by a simple report on the progress of the activities and associated tasks.

The elements of a CRM environment

![Diagram of CRM environment elements]

**Key considerations**
- Deal type indicating whether it’s partial or full integration
- List of business applications in scope (Salesforce and interfacing applications)
- CRM function areas in scope like marketing, sales, and service
- Processes in scope for each function area, e.g., lead management, customer onboarding, etc.
- Activities to be covered for each process in scope
- Tasks to be performed for completion of activities
- Teams to which tasks are mapped
- Timelines for tasks
Quick Take

CRM Systems Consolidation: A Case in Point

The following provides a representative M&A project, in which our toolkit may have been leveraged to smoothly achieve the envisioned synergy between two combined organizations.

Business situation

A global leader in cloud computing and platform virtualization software and services was in the process of consolidating IT applications for the newly acquired companies. As a part of the business and IT strategy, the organization wanted to consolidate the CRM marketing functionalities across its own Salesforce instance and the Eloqua instance of one of its acquired companies. The aim was to leverage envisioned synergies by having the acquiring company set up a unified sales management process. The end objective was to improve partner experience and obtain operational excellence.

Lead management consolidation (out of the many sales processes) is taken into consideration for the purpose of this case reference.
Quick Take

Challenges

Keeping both systems (Salesforce and Eloqua) live post-completion of the acquisition has its own set of challenges, which are listed below:

- Multiple information sources, leading to ineffective lead nurturing and gaps in reporting.
- Possible duplication of efforts and error-prone process in managing leads in two systems.
- No effective lead assignment process, based on lead source, as leads are spread across multiple systems.

Solution

The crux of the solution is to reduce the manual effort by adding the lead data to the acquiring company’s SFDC instance. Key points include:

- Synchronize the leads generated in Eloqua (CRM system of the acquired company) with the acquiring company’s SFDC lead management functionality.
- Associate campaign with the lead in SFDC.
- Assign territory and route the leads based on territory assignment.
- Use lead conversion to create account, contact and opportunity in SFDC instance of the acquiring company.
- Execute the above migration-related activities by adopting the steps mentioned in this toolkit.
A future blueprint

Before implementing technology changes (i.e., merging CRM data and functionalities), leadership of the combined organization must understand key activities, their sequencing and associated timelines. This will help with up-front planning of the required resources and the smooth execution of change. Figure 12 highlights the envisioned roadmap.

The roadmap presents an approximate picture of the timelines by which the technology changes may be planned and executed. One caveat: The actual execution timelines may vary from our model, depending on the complexity and volume of data and process to be migrated, as well as the number of resources deployed.

The planning and execution of M&A as a process (encompassing people, process and technology aspects), and the associated technological changes, is inherently complex and comprises several critical steps. The key to successfully executing post-merger integration of CRM systems lies in brainstorming the organizational structure of the target SFDC-based CRM system, detailing the approach to license rationalization and successful execution of one-time data migration. The execution of these steps must be performed under the umbrella of effective change management, and care should be taken to abide by appropriate laws.

A suggested roadmap for executing M&A-related technology change

![Figure 12](image-url)
Endnotes

1 Enterprise Architecture as Strategy: Creating a Foundation for Business Execution,” the authors have proposed four operating models for business.” https://blogs.msdn.microsoft.com/jmeier/2013/02/24/diversification-coordination-replication-and-unification/.

Acknowledgments

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